

REPUBLIC OF KENYA



**THE PRESIDENCY
THE NATIONAL TREASURY AND PLANNING**

SPEECH BY CABINET SECRETARY, THE NATIONAL TREASURY & PLANNING, HON. (AMB.) UKUR YATANI, EGH DURING THE LAUNCH OF: THE 2022 ECONOMIC SURVEY REPORT; THE 2019 KENYA POPULATION AND HOUSING CENSUS; COMMERCIAL AND INSTITUTION FARMS AND SPECIALTY CROPS REPORT; 2021 GROSS COUNTY PRODUCT REPORT AND KENYA STATISTICAL QUALITY ASSURANCE FRAMEWORK

AT KICC, 5TH MAY 2022

Chief Administrative Secretary, The National Treasury & Planning

Principal Secretary, State Department of Planning

Principal Secretary, State Department for Livestock

Chairman and Board of Directors, KNBS

Director General, KNBS,

KNBS Board Members and staff,

Distinguished Guests,

Ladies and gentlemen,

Good Morning,

Firstly, I thank you for finding time from your busy schedules to join us as we launch the following important reports:

- 1. the 2022 Economic Survey,**
- 2. Twelve analytical reports based on the 2019 Kenya Population and Housing Census;**
- 3. Census of Commercial and Institution Farms & specialty Crops**
- 4. and Gross County Product.**

In addition, we are also launching the Kenya Statistical Quality Assurance Framework (KeSQAf) as a confirmation that the data provided by KNBS meets the quality criteria as guided by the United Nations National Quality Assurance Frameworks (UN-NQAF) Manual for Official Statistics.

Ladies and Gentlemen,

In giving highlights of the **2022 Economic Survey**, foremost, it's important to note that COVID-19 pandemic has not only been a health crisis, but fundamentally an economic crisis, leading to loss of jobs, closure of businesses and shrinking of the economy. To mitigate these, the Government put in place elaborate Economic Stimulus Programs geared at stimulating growth while at the same time cushioning families and businesses against the adverse effects of the pandemic.

Indeed, as evidenced by the findings of the 2022 Economic Survey report, these measures have borne fruit with all sectors except Agriculture, Forestry and Fishing activities recording positive growths. Overall, the country's economic performance for the year 2021 expanded by **7.5 per cent**, compared to a decline of **0.3 per cent** in 2020.

It may be noted that the agriculture sector recorded a mixed performance, recording a contraction of **0.1 per cent** in 2021 compared to an impressive growth of **5.2 per cent** in 2020. The 2021 contraction was attributed to erratic and poorly distributed long rains as well as inadequate short rains.

To support the sector and further mitigate against the impact of the COVID 19 pandemic, the Government in 2020 initiated agriculture stimulus program by supplying farm inputs through e-vouchers to about 200,000 small scale farmers.

In addition, the government supported the flower and horticultural producers to continue accessing international markets noting the number of reduced flights in and out the country. These interventions were aimed at supporting the sustenance of our farming communities by providing continued gainful employment for thousands of workers in the sector.

Further, the Government has targeted investment in irrigation to reduce dependency on rain fed agriculture while increasing land under crop production.

Ladies and Gentlemen,

The manufacturing sector real value added rose by **6.9 per cent**, compared to a growth of **negative 0.4 per cent** in 2020. The volume of output for the sector grew by **6.0 per cent** in 2021, mainly due to increased production of Non-metallic Mineral Products like cement, Leather and Related Products and Dairy Products sub sectors. The modest growth indicates that despite the interruptions by the COVID 19 pandemic, the intervention measures by the Government such as enforcing the “**Buy Kenya Build Kenya**” policy bore fruits and the sector is on a recovery path.

It may be noted that due to the rapid expansion of infrastructure from; construction of new roads and ports and extension of SGR, the Construction sector registered a growth of **6.6 per cent** in 2021. In line with the Big Four Agenda, the Government continued to facilitate acquisition of affordable housing to Kenyans with a total of 431 housing units having been completed by the State Department for Housing (SDH). Further, by December 2021 over 3,480 housing units were undergoing construction at a cost of **KSh 6.9 Billion**, creating the much needed employment opportunities for our youth.

Ladies and Gentlemen,

One of the sectors that had suffered most because of restricted movements, and termination of international flights was Tourism. I am glad that the government sustained intervention to jumpstart this sector while protecting its players from heavy financial losses has borne fruits. These measures that included;

- provision of soft loans to hotels and related establishments through the Tourism Finance Corporation (TFC), to support renovation of facilities and restructuring of business operations by actors.
- reopening of Kenya's source markets,
- relaxation of travel restrictions and increased uptake of COVID-19 vaccination

These resulted in significant recovery of the sector in 2021 despite the COVID-19 pandemic. Notably, the International visitor arrivals expanded by **50.3 per cent** to **871,300** during the review period.

In the Health sector, the Government in **2020** stepped-up its COVID-19 response capabilities while at the same time strengthening the implementation of the Universal Health Coverage

program. To this end, the government has expanded bed capacities of our public hospitals from 91,037 in 2020 to **100,183** in **2021**.

Ladies and Gentlemen,

The macroeconomic environment is expected to remain stable despite the likelihood of a rise in inflation, weakening of the Kenyan Shilling and significant rise in energy prices. During the first quarter of 2022, inflation rate eased though expected to rise in the **2nd** and **3rd quarters** of the year on account of rising energy prices as well as increase in prices of other commodity including that of food.

In the Agriculture Sector, despite delay in the onset of the long rains, we expect the current rainfall to continue and therefore support production and growth of the sector in 2022.

All the other sectors of the economy are expected to continue on a growth trajectory after the successful containment of the COVID-19 pandemic and the projected peaceful general election given the country's mature democracy.

Ladies and Gentlemen

As shown by the 2022 Economic Survey findings, the government continued investment in key strategic areas, as highlighted in various policy documents such as the Vision 2030, the 4th Medium Term Plan and the Big 4 Economic Transformation Agenda, has put the country's economy on a full recovery path.

Ladies and Gentlemen,

On the 2019 Census analytical reports, you may recall that the Government conducted the 2019 Kenya Population and Housing Census (KPHC) and subsequently released four basic reports. To that effect, the Kenya National Bureau of Statistics (KNBS) has now undertaken in-depth analysis of the 2019 KPHC data and generated 12 analytical reports on:

- Fertility and Nuptiality; Mortality; Migration; Urbanization;
- Household and family dynamics; Youth and Adolescents;
- Older and Vulnerable population; Gender dimension;
- Disability; Education and Training; Housing Conditions, Amenities and Household assets;
- and Information and Communication Technology.

The analytical reports have been developed to provide quality demographic and socio-economic information for evidence based decision-making at global, national and county level. Further, the information will enable the government to monitor and evaluate policies and programs for the population. More so, the information will assist the Government to monitor the progress made towards realization of the Vision 2030, Medium Term Plans, the Big 4 Agenda and County Integrated Development Plans as well as monitor the Sustainable Development Goals, and Africa Agenda 2063, among other development agenda.

Ladies and Gentlemen,

The results of the detailed analysis of the 2019 census data indicated that fertility, mortality, including maternal mortality have continued to decline. The decline in fertility and mortality is attributed to the many programs initiated by both the national and county governments targeting child mortality, maternal mortality, life expectancy, and other reproductive health measures such as; the Beyond Zero Campaign, Linda Mama free health insurance for pregnant mothers, National and Immunization program, among others. The government will continue to advocate for programs that encourage quality population for all Kenyans.

On migration, most migrants cited economic reasons as to why they migrated to other counties. There is therefore need to continue with the implementation of the Government development agenda especially on creation of employment opportunities in counties to check on rural-urban migration in Kenya. The Government will also create conducive environment to enable MSMEs to thrive in all the counties. The information we are releasing today will form a crucial input in the finalization of the National Migration Policy and National Labour Migration Policy.

Ladies and Gentlemen;

The results from the analytical report on urbanization show that the urban population increased by **23 percent** in 2019. For proper urban planning and for better service delivery, the government will continue to implement the Urban Areas and Cities (amendment) Act, 2019 and National Urban Development Policy of 2017. The government will also promote initiatives that strengthen linkages between rural and urban areas and within cities, promote development of sustainable cities and towns, strengthen public-private-partnerships to improve efficiency in waste management and implement ease of doing business policy to attract investments in Kenya. Comprehensive housing programs under the Big 4

Agenda will continue to be implemented by both the national and county governments to provide the much needed quality houses for all. Further the government will promote the adoption of water harvesting technologies to increase the quantity of renewable fresh water per capita.

Given that the Population of Kenya is youthful, the government will continue to implement the National Youth Development Policy (2019) and the Kenya Demographic Dividend Roadmap; link education and skills training with labour market needs; support Technical and Vocational Education Training (TVET), as well as put measures that will promote the expansion of internship, apprenticeship, and on-the-job training for youth to address youth employment and increase access to credit facilities countrywide.

Ladies and Gentlemen;

Turning to the Census of Commercial & Institutional farms report, it is important to note that the Agriculture sector remains the major contributor to national food security and economic development in the country. The 2020 Census of Commercial and Institutional farms was undertaken to supplement the information captured during the 2019 KPHC.

The report contains information on: the number and area of all commercial, institutional and specialty farms; types of agricultural and livestock production; and Inputs and output quantities for individual farms. This information will be useful in providing benchmark data for monitoring and evaluation of the fourth Medium Term Plan, Vision 2030 and the Agriculture Sector Transformation and Growth Strategy (ASTGS) and county specific development plans on agriculture.

At this juncture, I am happy to note that, the Kenya government and the World Bank have agreed to undertake the first ever comprehensive Census of Agriculture starting in 2023. The Census findings will form basis of formulating appropriate policies and programs and strategies to improve the agricultural sector, while also providing sampling frames for future agricultural surveys.

Ladies and Gentlemen,

The last report on the Gross County Product report, provides an important milestone in the official estimates of county level Gross County Product (GCP). It provides the contribution of each of the 47 counties to the national GDP following the revision of the

measurement of the economy. The report presents an opportunity for evaluation of the progress made in the various spheres of socio-economic development, as well as information and strategies spelt out in the current development plans. Information on economic performance of the counties will provide a key input in determination of the priority sectors that can steer accelerated development and areas that need targeted intervention.

Ladies and Gentlemen,

In addition, the GCP report will assist in the determination of revenue potentials of counties to enable them supplement resources received from the National Government.

The report shows that counties are driven by different sectors of the economy and to that effect they are expected to leverage on their strengths in order to maximize their full potential for growth. Indeed, the current “Regional Investment blocks” will greatly benefit from the information provided by the report especially in determining the economic size.

Ladies and Gentlemen,

Finally, I thank our development partners, especially the WB, UNFPA; United Nations Entity for Gender Equality and the Empowerment of Women (UN Women); UNICEF; UNECA and all agencies under the coordination of UN Residents' Coordinator's Office; AfDB; Statistics Sweden; Office of National Statistics United Kingdom (ONS-UK) and Italian Agency for Development Cooperation (AICS) for their technical and financial support in production of the various reports.

As I thank the Kenya National Bureau of Statistics for generating these quality reports, I express my gratitude to the Ministry of Agriculture, Livestock, Fisheries and Cooperatives for their cooperation.

It's now my humble duty to officially launch; **the 2022 Economic Survey Report, the twelve 2019 KPHC Analytical Reports, the Census of Commercial and Institution Farms and Specialty Crops Report, and Gross County Product Report** and **the Kenya Statistical Quality Assurance Framework** officially launched.

Thank you.